

REMARKS

Claims 1-10 are pending in this application, of which claims 1 and 4 have been amended.

No new claims have been added.

Claims 1-14 stand rejected under 35 U.S.C. § 112, second paragraph, as indefinite.

Although the Examiner has recommended a specific interpretation and rewording of portions of claims 1 and 4, other amendments to claims 1 and 4 have been made to overcome the rejection. In particular, the Examiner's proposed language omits several essential elements and/or steps, such as, for example, in claim 1 the step of prohibiting the transfer of title of the membership to the membership device based on the consent of the member and prior to the establishment of the credit line. This title transfer prohibition is necessary in order to use the value of the membership to increase the credit line of the owner.

Thus, the 35 U.S.C. § 112, second paragraph, rejection should be withdrawn.

Claims 1-14 stand rejected under 35 U.S.C. § 103(a) as unpatentable over U.S. Patent 6,088,686 to Walker et al. (hereafter, "**Walker et al.**") in view of "Commercial Bank Management," by Peter Rose, 1991 (hereafter, "**Rose**").

Applicant respectfully traverses this rejection.

Walker et al. discloses a user-friendly on-line computerized system operated in real-time for streamlining the processing of applications for products and services offered by a financial institution. The system automates many steps in the credit and liability review and approval process, performs background credit worthiness evaluations based upon an applicant's credit

score, financial information and new or existing relationship with the financial institution, recommends to those applicants who exceed the initial criteria for credit consideration specific credit products with predetermined credit qualified offer amounts, and ensures the required operating (credit/liability) policies are appropriately completed. The system immediately analyzes an applicant's credit bureau history and automated credit scoring, and provides these results to the LBR. The system also takes into account information relating to the applicant's new or existing relationship with the financial institution, if any, into the credit decision request. This enables the system to provide applicants with an up-front conditional approval (based on systematic evaluation of credit bureau history, credit score, debt burden, and applicant's new or existing relationship deposits), subject to required verifications.

As the Examiner has admitted, Walker et al. does not teach the use of a "membership" as an asset to be used in increasing a credit line, but he has cited Rose for teaching this feature.

Applicant respectfully disagrees.

Rose discusses the factors banks use in evaluating a loan request, such as character, capacity, capital, collateral, conditions and control. In the discussion of collateral, Rose states:

Collateral. In assessing the collateral aspect of a loan request, the loan officer must ask: Does the borrower possess adequate net worth or own a sufficient amount of quality assets or other items of value to provide adequate support for the loan? The loan officer is particularly sensitive to such features as the age, condition and degree of specialization of the borrower's assets. Technology plays an important role here as well. If the borrower's assets are technologically obsolete, they will have limited value as collateral because of the difficulty of converting those assets into cash if the borrowers's income falters.

There is no mention in Rose of using a membership as collateral or even as an asset to be considered in determining credit worthiness or the amount of credit to be extended, as in the present invention.

Thus, the 35 U.S.C. § 103(a) rejection should be withdrawn.


In view of the aforementioned amendments and accompanying remarks, claims, as amended, are in condition for allowance, which action, at an early date, is requested.

If, for any reason, it is felt that this application is not now in condition for allowance, the Examiner is requested to contact Applicant's undersigned attorney at the telephone number indicated below to arrange for an interview to expedite the disposition of this case.

In the event that this paper is not timely filed, Applicant respectfully petitions for an appropriate extension of time. Please charge any fees for such an extension of time and any other fees which may be due with respect to this paper, to Deposit Account No. 01-2340.

Respectfully submitted,

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